

2018-2019 ANNUAL REPORT



South Carolina
Rural Infrastructure Authority

Creating water solutions. Improving communities statewide.



South Carolina Rural Infrastructure Authority

AGENCY OBJECTIVES

INCREASE

community sustainability by helping to maintain reliable and affordable infrastructure.

IMPROVE

the quality of life by addressing public health, environmental and regulatory concerns.

CREATE

opportunities for economic impact by building the infrastructure capacity to support economic development.

The S.C. Rural Infrastructure Authority (RIA) was created to help close the gap in financial resources for infrastructure improvements statewide and lay the groundwork for economic opportunities. Learn more by visiting ria.sc.gov.

FISCAL YEAR 2019

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Water Treatment Plant Upgrade Anderson Regional Joint Water System

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The S.C. Rural Infrastructure Authority Annual Report for Fiscal Year 2019 is submitted by the S.C. Rural Infrastructure Authority in compliance with the S.C. Rural Infrastructure Act (S.C. Code of Laws §11-50-160). Additionally, Act 119 of 2005 mandates that agencies provide all reports to the General Assembly in an electronic format. This report represents Fiscal Year 2019: July 1, 2018 - June 30, 2019.



Board of Directors

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Chairman
S.C. Department of Commerce

Senator Michael Gambrell,
Vice-Chairman
District 4

Mr. David E. Anderson,
Anderson Brothers Bank

Representative William Clyburn,
District 82

Mr. William Kellahan,
Kellahan & Associates

Mr. Jasper Shuler,
S.C. Department of Agriculture

Representative Richard Yow,
District 53

CREATING WATER SOLUTIONS. IMPROVING COMMUNITIES STATEWIDE.

Our state is blessed with many unique and advantageous features that contribute to a high quality of life. Water plays an important role in the health and welfare of our communities as places to live, work and play. To be sustainable, there must be regular investment in the water infrastructure foundation as a building block to economic opportunity.

The S.C. Rural Infrastructure Authority (RIA) wants to put communities in a position to succeed. Utilizing the agency's grant and loan programs to finance water, wastewater and stormwater improvements, the RIA can advance all of our communities by helping to ensure that residents have safe, reliable and affordable access to these services, while protecting our water quality resources. The RIA has been working diligently with communities to identify and fund solutions to infrastructure challenges statewide. The RIA offers a portfolio of financial and other resources designed to address current and future needs.

In the past seven years, the RIA's Board of Directors has approved 305 projects totaling \$122 million in grant assistance and leveraged an additional \$393 million in infrastructure improvements. Every county in the state has benefitted from RIA grants, and 80% of projects have been located in rural and distressed areas.

Additionally, the State Revolving Funds (SRF) loan program, which became a part of the agency in 2016, offers another low-cost financing option for communities. Demand for these program funds is at an all-time high. The SRF program has closed a total of \$461 million in the past four years. The affordable interest rates and extended terms mean real cost savings for customers, while solving some of the most critical water quality challenges.

This high level of demand for financial assistance is a strong indication that community leaders are increasingly seeing the long term, economic value of building and maintaining local infrastructure assets.

We are here to help. By providing more than \$100 million annually in grant and loan financing options, as well as training, technical assistance and funding coordination, the RIA's efforts are designed to help communities achieve a more sustainable future.

Sincerely,



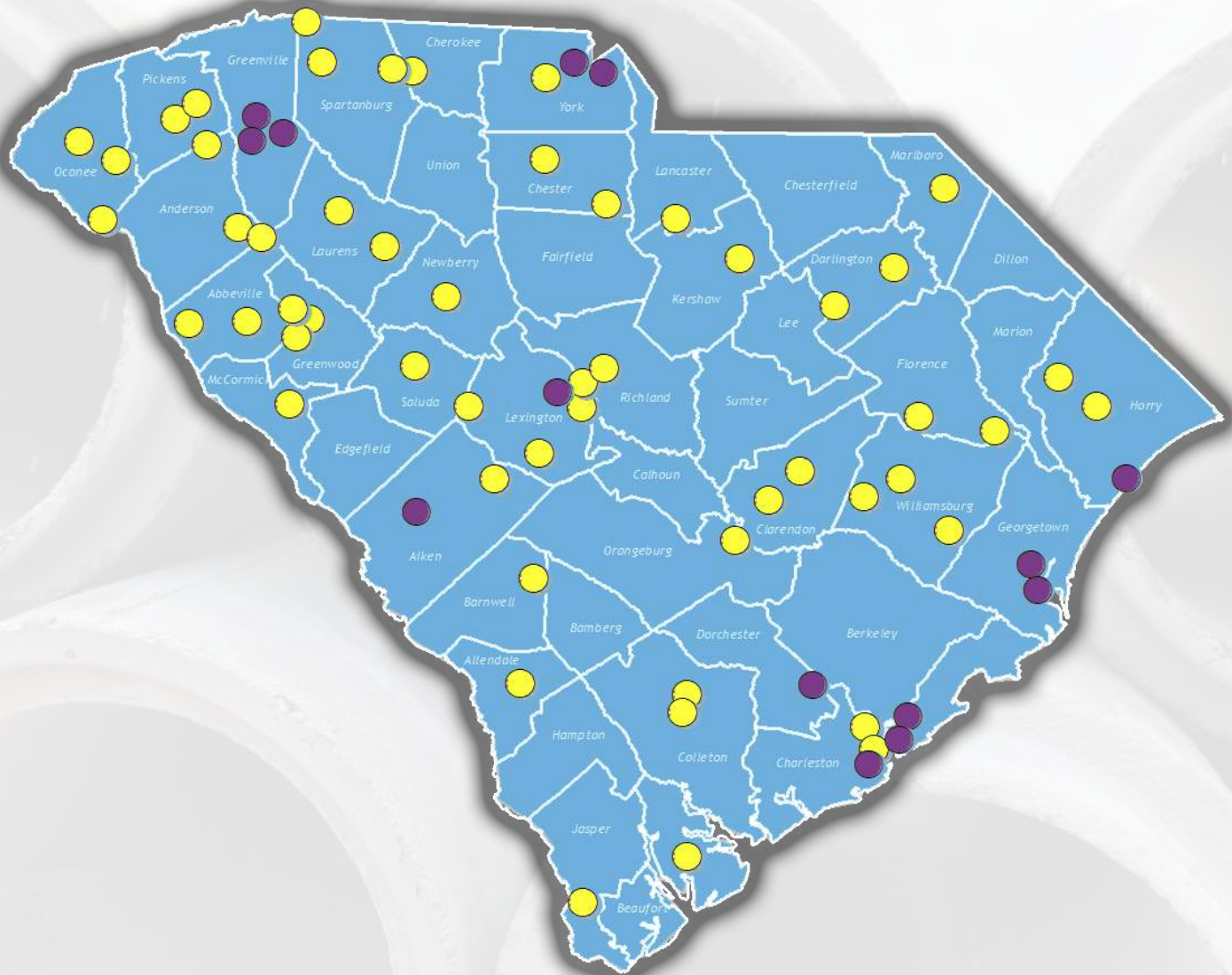
Robert M. Hitt, III
Secretary, S.C. Department of Commerce
Chair, S.C. Rural Infrastructure Authority



Bonnie Ammons
Executive Director,
S.C. Rural Infrastructure Authority

FISCAL YEAR 2019

AT-A-GLANCE



Projects Funded

● Grants ● Loans

FISCAL YEAR 2019

AT-A-GLANCE

GRANTS

\$25
Million

Grants Awarded

\$45
Million

Leveraged

54
Projects

Statewide

Customers Served
Residential: 52,077 • Businesses: 6,025

LOANS

14
Loans

Statewide

\$110
Million

Loans Closed

\$56
Million

Loan Repayments

Third consecutive year of
\$100+ million in loans

GRANT PROGRAM

AT-A-GLANCE



64%
rural and
distressed areas

Competitive grants are offered twice a year to local governments, special purpose and public service districts or public works commissions for the purpose of improving water, sewer and storm drainage infrastructure statewide.

Financial assistance is made available through two programs, Basic and Economic Infrastructure.

The Basic program targets projects that will: help to resolve consent orders and regulatory violations impacting water and sewer systems; assist with other health and environmental issues or emergencies; as well as update aging infrastructure that has reached the end of its useful life and no longer provides quality service.

The Economic program is designed to: address financing gaps for infrastructure projects that will directly result in job creation and capital investment; provide infrastructure solutions to publicly-owned industrial sites and parks; or build system capacity to support economic opportunity.

RIA funds must be used for project-related construction costs. Applicants are responsible for planning, engineering, property acquisition or easement/ROW and other non-construction costs. There is a 25% match requirement for projects located in Tier I and II counties, as designated by the S.C. Department of Revenue.

Applications are reviewed on a comparative basis with consideration of the relative need, feasibility and impact of each project. Funding decisions are made by the RIA's Board of Directors.

18%

**Consent Orders and
Urgent Needs**

\$14M

**Aging
Infrastructure**

28%

**Economic
Infrastructure**



**Water Tank Upgrade
West Columbia**



**Industrial Water and Sewer Upgrade
Hampton County**

Fiscal Year 2019

GRANT RECIPIENTS

GRANTEE	COUNTY	PROJECT	AWARD
Abbeville, City of	Abbeville	Sewer System Improvements	\$500,000
Allendale, Town of	Allendale	Water System Improvements	\$473,825
Andrews, Town of	Williamsburg	Sewer System Improvements	\$500,000
Aynor, Town of	Horry	Drainage System Upgrade	\$650,000
Batesburg-Leesville, Town of	Lexington	Sewer System Improvements	\$800,000
Beaufort, City of	Beaufort	Drainage System Upgrade	\$500,000
Big Creek Water and Sewage District	Anderson	Water Line Upgrades	\$500,000
Blackville, Town of	Barnwell	Water Line Upgrades	\$481,220
Calhoun Falls, Town of	Abbeville	Sewer System Improvements	\$920,150
Cayce, City of	Lexington	Drainage System Upgrade	\$500,000
Charleston, City of	Charleston	Drainage System Upgrade	\$499,292
Cherokee County	Cherokee	Economic Sewer Infrastructure	\$500,000
Chester County Wastewater Recovery	Chester	Sewer System Improvements	\$500,000
Clinton, City of	Laurens	Water Line Upgrades	\$168,795
Colleton County	Colleton	Economic Sewer Infrastructure	\$500,000
Columbia, City of	Richland	Economic Sewer Infrastructure	\$137,218
Darlington County Water and Sewer Authority	Darlington	Water Tank Improvements	\$425,000
Darlington, City of	Darlington	Economic Sewer Infrastructure	\$268,180
Easley Combined Utilities	Pickens	Sewer System Improvements	\$500,000
Great Falls, Town of	Chester	Sewer System Improvements	\$500,000
Greeleyville, Town of	Williamsburg	Sewer System Improvements	\$500,000
Greenwood Commission of Public Works (CPW)	Greenwood	Water Line Upgrades	\$500,000
Greenwood CPW	Greenwood	Economic Water Infrastructure	\$470,000
Greenwood, City of	Greenwood	Drainage System Upgrade	\$235,464
Hardeeville, City of	Jasper	Economic Water and Sewer Infrastructure	\$500,000
Heath Springs, Town of	Kershaw	Sewer System Improvements	\$441,000
Honea Path, Town of	Anderson	Sewer System Improvements	\$247,610
Horry County / Bucksport Water System	Horry	Water System Improvements	\$500,000
Inman, City of	Spartanburg	Sewer System Improvements	\$500,000
Johnsonville, City of	Florence	Sewer System Improvements	\$500,000

Fiscal Year 2019

GRANT RECIPIENTS

GRANTEE	COUNTY	PROJECT	AWARD
Joint Municipal Water and Sewer Commission	Lexington	Economic Sewer Infrastructure	\$500,000
Kershaw County & Lee County Regional Water Authority	Kershaw	Water System Improvements	\$500,000
Kingstree, Town of	Williamsburg	Sewer System Improvements	\$500,000
Lake City, City of	Florence	Sewer System Improvements	\$448,926
Laurens County	Laurens	Economic Sewer Infrastructure	\$500,000
Manning, City of	Clarendon	Economic Sewer Infrastructure	\$500,000
Marlboro County / Marlboro Water Company	Marlboro	Economic Water Infrastructure	\$355,700
McCormick CPW	McCormick	Sewer System Improvements	\$500,000
Newberry, City of	Newberry	Economic Water Infrastructure	\$500,000
North Charleston Sewer District	Charleston	Sewer System Improvements	\$500,000
Oconee County	Oconee	Economic Water and Sewer Infrastructure	\$500,000
Oconee Joint Regional Sewer Authority	Oconee	Economic Sewer Infrastructure	\$935,566
Pickens, City of	Pickens	Water Line Improvements	\$320,000
Powdersville Water District	Anderson	Economic Water Infrastructure	\$500,000
Saluda Commission of Public Works	Saluda	Sewer System Improvements	\$500,000
Santee, Town of	Orangeburg	Sewer System Improvements	\$425,000
Spartanburg Sanitary Sewer District	Spartanburg	Sewer System Improvements	\$500,000
Spartanburg Water System	Spartanburg	Water Line Upgrades	\$500,000
Summerton, Town of	Clarendon	Water Line Interconnection	\$500,000
Wagener, Town of	Aiken	Well Upgrade	\$25,000
Walhalla, City of	Oconee	Water Line Interconnection	\$118,400
Walterboro, City of	Colleton	Water System Improvements	\$1,000,000
West Columbia, City of	Lexington	Sewer System Improvements	\$500,000
York, City of	York	Water Line Improvements	\$320,000
54 Projects			\$25,666,346
Jefferson, Town of	Chesterfield	Sewer System Improvements	\$25,000
Total Funds Awarded			\$25,691,346

LOAN PROGRAM

AT-A-GLANCE



SRF Benefits

- Below market interest rates
- Low closing costs
- Fixed-rate financing
- Extended terms up to 30 years

The State Revolving Funds (SRF) are federally capitalized loan programs which are jointly administered by the RIA and the S.C. Department of Health and Environmental Control (DHEC). DHEC serves as the federal recipient and handles the technical aspects of the program, including selection of projects that meet water quality priorities and compliance with federal requirements.

RIA manages the financial responsibilities of the loan programs including: loan policies, loan applications, credit reviews, loan agreements, disbursements and loan administration activities, including repayments. RIA also provides the state match (20%) for the federal funds.

Low-interest loans are made available to municipalities, counties and special purpose districts statewide. To be eligible, the borrower must have a sufficient revenue stream to repay the loan and show sustainability. The standard interest rate was 2.6% for FY19. Rates are updated annually.

There are two SRF loan programs: clean water (wastewater and storm water) and drinking water. These programs are often used to finance large, complex and expensive infrastructure improvement projects.

The SRF program has been part of the RIA since FY16. RIA efforts have been directed to: establishing a pipeline of infrastructure projects to utilize available funds for critical infrastructure needs across the state; enhancing coordination and communication with DHEC to ensure a seamless administration of the program; and expanding the availability of training and outreach to customers who are seeking affordable infrastructure financing.

40%

**Served Populations
Less Than 30,000**

\$120M

**Loan Disbursements
(Record Dollar Amount)**

\$747M

**Outstanding Principal
Balance**

Fiscal Year 2019

SRF LOAN RECIPIENTS

Clean Water			
SPONSOR	COUNTY	PROJECT	LOAN AMOUNT
Aiken, City of	Aiken	Stormwater Rehabilitation (Phase I)	\$659,198
Dorchester County	Dorchester	Lower Dorchester WWTP Improvements	\$3,654,740
Fort Mill, Town of	York	Water Pollution Control Plant Expansion	\$35,000,000
Georgetown, City of	Georgetown	West End Sewer Rehabilitation	\$2,460,281
Grand Strand Water & Sewer Authority	Horry	Wastewater Transmission System Upgrade	\$12,103,104
James Island PSD	Charleston	Force Main Diversion and Upgrade	\$6,715,435
Lexington, Town of	Lexington	I-20 Wastewater System Pump Station and Lagoon	\$3,486,706
Mount Pleasant, Town of	Charleston	Park West Force Main Replacement	\$3,437,285
Mount Pleasant, Town of	Charleston	CMOM & Trenchless Rehabilitation	\$7,000,000
Renewable Water Resources	Greenville	FY18 Gravity Sewer and Manhole Rehabilitation	\$1,498,064
Renewable Water Resources	Greenville	Lower Reedy Water Resource Recovery Facility Digester Capacity Evaluation and Improvements	\$15,882,883
Renewable Water Resources	Greenville	Rock Creek Interceptor Upgrade	\$13,411,050
12 CLEAN WATER LOANS CLOSED			\$105,308,746
Drinking Water			
SPONSOR	COUNTY	PROJECT	LOAN AMOUNT
Georgetown, City of	Georgetown	Historic District Water Line Improvement	\$1,650,488
Rock Hill, City of	York	Mt. Gallant Road 24-Inch Water Main	\$3,949,887
2 DRINKING WATER LOANS CLOSED			\$5,600,375

Existing Industry Water and Sewer Upgrade Dillon County



GRANT PROGRAM

2013 - 2019

\$122M

Awarded

305

Projects

\$393M

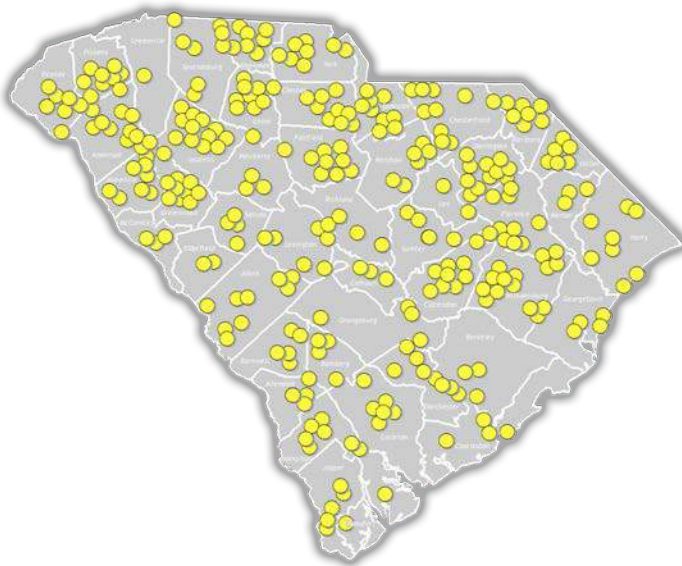
Leveraged

\$2.8B

Capital Investment

7,680

Proposed Jobs



Projects in every
county

80% rural



**Storm Drainage Outfall
Myrtle Beach**

SRF LOAN Program

1989 - 2019 (Cumulative Loan Activity)

\$1.7B

Loans Closed

296

Loans

\$1.2B

Current Loan Portfolio

2016 - 2019 (RIA Loan Activity)

\$461M

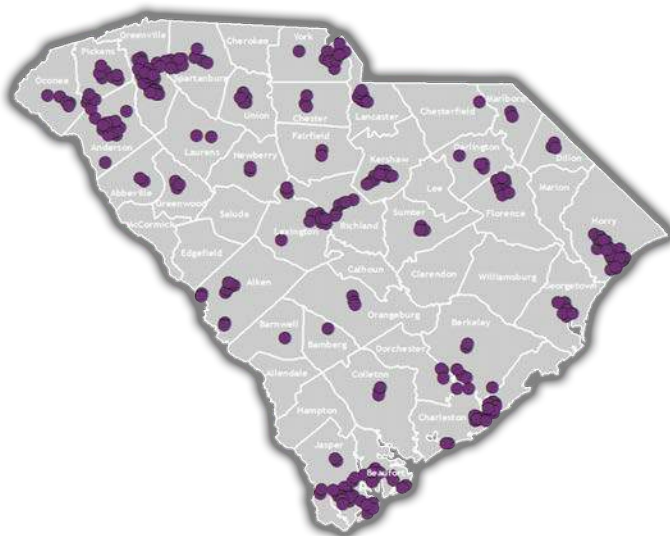
Loans Closed

57

Loans

\$8M

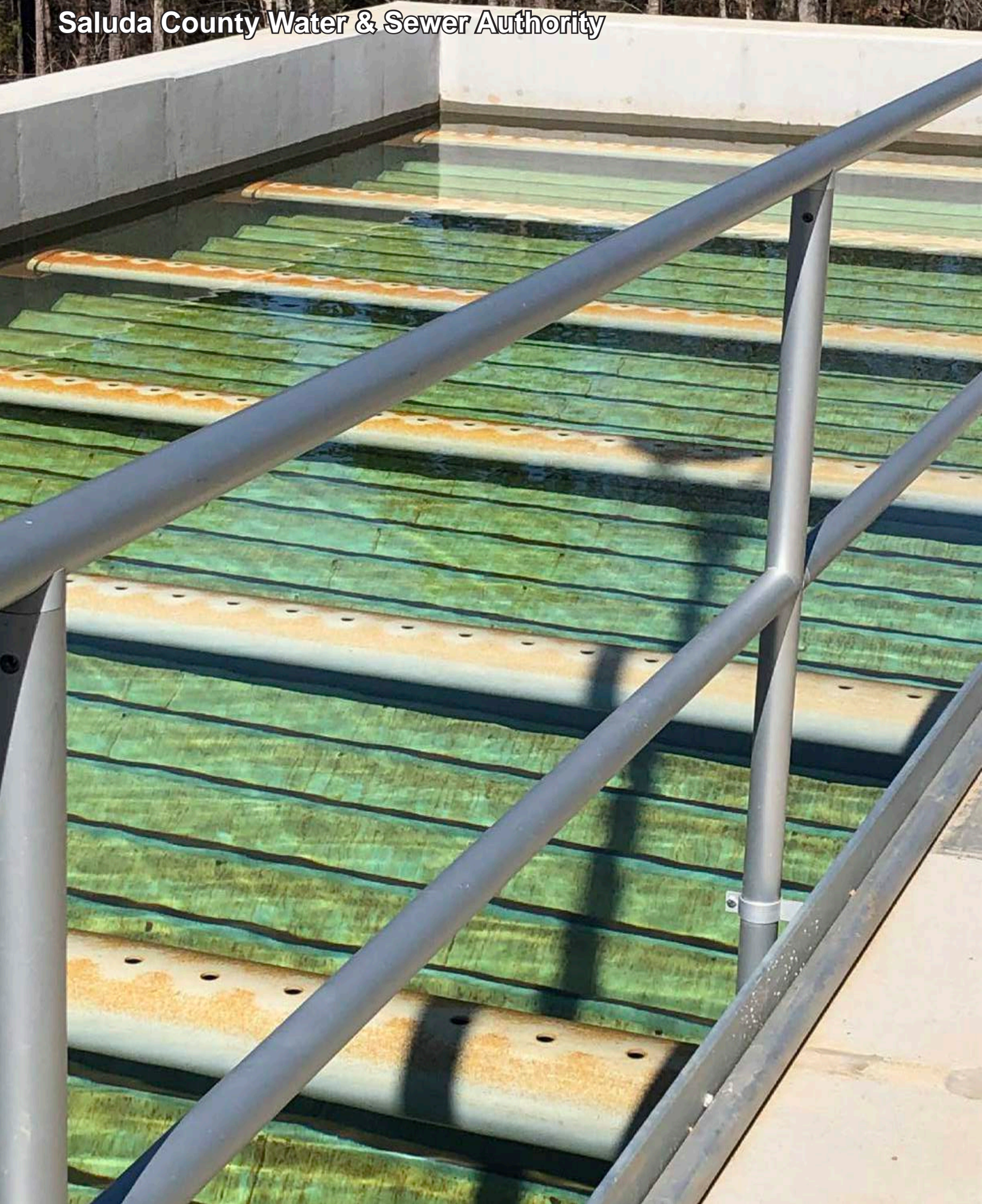
Average Loan



ZERO

loan defaults

Water Treatment Plant
Saluda County Water & Sewer Authority



OUTREACH & TECHNICAL ASSISTANCE

The RIA has formed partnerships with other federal and state infrastructure funding agencies as part of its ongoing commitment to finding solutions and improving communities statewide. The RIA facilitates the S.C. Infrastructure Funders Coordinating Committee to coordinate and market available resources. Services include:

- Meet with prospective applicants on potential projects;
- Address funding gaps;
- Coordinate jointly-funded projects;
- Identify solutions to infrastructure challenges;
- Promote sustainability.

The Committee meets four or more times a year. In addition to the RIA, other members include: S.C. Department of Commerce (Community Development Block Grant and Appalachian Regional Commission); S.C. Department of Health and Environmental Control; U.S. Department of Commerce (Economic Development Administration); and U.S. Department of Agriculture (Rural Development).



197

One-On-One Meetings

262

Trained

Customer assistance goes hand in hand with the RIA's mission – to help close the financial gap for infrastructure improvements and lay the groundwork for economic opportunities.

The RIA takes a pro-active approach to assisting customers and the communities they serve. To start, the RIA annually offers four workshops and webinars to inform potential applicants of available resources and how to access them.

In addition, one-on-one technical assistance is provided to help communities identify eligible projects, determine available resources and coordinate with other funders, as well as solve problems with project implementation. This outreach assistance has become a cornerstone of the RIA's efforts with the number of meetings and project discussions increasing by 34% in FY19.

Finally, the RIA communicates opportunities to various stakeholders through an electronic newsletter (published several times a year) and participation in state environmental conferences. Working in partnership with communities, these efforts contribute to building infrastructure capacity statewide.



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Improving communities statewide.